

VZCZCXYZ0000
OO RUEHWEB

DE RUEHTG #0745/01 2252151
ZNY CCCCC ZZH
O 132151Z AUG 09
FM AMEMBASSY TEGUCIGALPA
TO RUEHC/SECSTATE WASHDC IMMEDIATE 0427
INFO RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE IMMEDIATE
RUEAIIA/CIA WASHDC IMMEDIATE
RUCPDOG/DEPT OF COMMERCE WASHDC IMMEDIATE
RUEIDN/DNI WASHINGTON DC IMMEDIATE
RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC IMMEDIATE
RUMIAAA/USSOUTHCOM MIAMI FL IMMEDIATE

C O N F I D E N T I A L TEGUCIGALPA 000745

SENSITIVE
SIPDIS

E.O. 12958: DECL: 08/13/2019
TAGS: [BBSR](#) [EAIR](#) [ECON](#) [ETRD](#) [HO](#) [KDEM](#)
SUBJECT: TFH01: HONDURAN TOURISM SUFFERS POST-COUP BLUES

REF: A. TEGUCIGALPA 712
[1](#)B. TEGUCIGALPA 701
[1](#)C. TEGUCIGALPA 680

Classified By: Ambassador Hugo Llorens, reasons 1.4 (d)

[1](#)1. (U) Summary: Tourism, the third largest revenue source in Honduras, is significantly down since June 28, having borne the brunt of the economic impact of the coup d'etat. Hotels report higher vacancy rates and airlines have noticed a significant drop in bookings, which have led them to cancel seasonal flights. Passenger ferry business between La Ceiba and Roatan has also experienced a sharp reduction in ridership. There are some signs that the industry is beginning to rebound slightly. End Summary.

[1](#)2. (C) In an August 6 meeting that the Ambassador convened with President Zelaya's cabinet ministers who are residing in Tegucigalpa (reftel A), Minister of Tourism Ricardo Martinez pointed out that tourism, the third largest revenue source in Honduras, is down 50 percent in the Bay Islands and 80 percent in Copan.

[1](#)3. (SBU) Adolfo Facusse of the National Association of Industries (ANDI) told EconOff that while the tourism sector (primarily hotels and restaurants) saw an immediate decrease in business because of travel warnings, curfews, and fear of unrest, business is normalizing as customers get used to the current situation and as the hospitality industry becomes aggressive in offering discounts and other incentives.

HOTELS STILL ROOMY

[1](#)4. (U) The hotelier industry in San Pedro Sula reported on August 3 that room occupancy rates are at 30 percent, down from the normal of 80 for this season. On August 12, The Hilton hotel in San Pedro Sula told EconOff that rates have improved, with occupancy rates now around 90 percent during the week, and somewhat lower on the weekends.

[1](#)5. (U) Meanwhile, because of their proximity to locations where protesters gather, the major hotels in Tegucigalpa continue to suffer losses. The Marriott hotel, which is next door to the Presidential Palace, was closed for 11 days after the coup. Since then, in spite of increased security, they are averaging only about 25 percent occupancy. Other hotels are faring better, although with significantly lower occupancy rates when compared to July of last year. The InterContinental is now at 60 percent occupancy, down from its average occupancy rate of 90 percent.

[1](#)6. (SBU) Hotels in tourist destinations are suffering the

most. In a meeting with the Ambassador and EconOff on July 21, a group of U.S. Citizens representing tourism-related businesses owned by AmCits in Copan and the Bay Islands estimated that tourism was down by as much as 40 percent since the coup and that this was the first time they had ever seen a decrease in the number of hits received on their websites. Through aggressive marketing and discounts, tourism in the Bay Islands has begun to rebound. The Mayan Princess hotel said on August 12 that weekend occupancy rates are at or near 100 percent, but remain low during the week. On August 12, EconOff contacted Posada Real (whose clientele is primarily French) and Hotel Plaza Copan (whose clientele is primarily American). Both hotels continue to experience cancellations from foreign visitors, resulting in unseasonably low room occupancy rates of 10 to 15 percent.

AIRLINES FLYING LIGHT

17. (SBU) American Airlines country manager Verna Osorto confirmed that due to a significant decrease in bookings since June 28, they had to cancel their second daily Tegucigalpa-Miami flight. This flight was a seasonal flight that normally operates in June, July, and August. The airline representative said that prior to June 28 flights out of Tegucigalpa were about 70 percent full, but now only about 30 percent of seats are sold. American has not seen a significant change in its flights in and out of San Pedro Sula which are still 80-90 percent sold. American Airlines does not fly to Roatan.

18. (SBU) Continental Airlines general manager Geovany Rosa reported to EconOff that Tegucigalpa passengers are down 50 percent as a result of the political crisis. Continental typically operates an additional afternoon seasonal flight in Tegucigalpa on Fridays, Saturdays and Mondays, but cancelled this flight due to lack of demand. Continental has seen a reduction of almost 50 percent in San Pedro Sula as well, however in San Pedro Sula the additional afternoon flights are still operating. Roatan has also been affected, but not as severely as Tegucigalpa and San Pedro Sula.

19. (SBU) Delta Airlines operates daily flights to Tegucigalpa and San Pedro Sula and a weekly flight to Roatan. Dina Morales, the local manager for Delta, told EconOff that they have observed a 40 percent decrease in sales. The majority of the decrease in passenger traffic is for its Tegucigalpa route. Delta has no plans to cancel or scale back its service to Honduras.

FERRY BARELY AFLOAT

10. (SBU) Passenger ferry business between La Ceiba and Roatan has also been affected by the current political situation. Galaxy Ferry told EconOff that during the first four weeks after the coup, they experienced a sharp reduction in ridership. In the last couple of weeks, they have partnered with hotels to offer a 2 for 1 special, leading to improved sales. Ferry company management noted that at this time of year, they usually have large numbers of tourists from El Salvador; this month they have had none.

LLORENS